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Delegate Dana Stein Testimony in Support of HB 990 Environment – Greenhouse Gas Emissions Reductions - Manufacturers

The first time we committed to reduce state-wide greenhouse gas (GHG) emissions was in the 2009 Greenhouse Gas Reduction Act. This legislation required Maryland to reduce GHG Emissions by 25 percent by 2020. The Act authorized Maryland Department of the Environment (MDE) to regulate GHG emissions from all sectors of Maryland's economy with one exception: the manufacturing sector. When we renewed and expanded our GHG reduction goals in 2016 and 2022, we maintained the manufacturing exemption.

But, according to the National Caucus of Environmental Legislators (NCEL), Maryland is currently the only state with a climate plan that exempts manufacturers from meeting its GHG emissions goals. Additionally, the exemption conflicts with the state's Climate Pollution Reduction Act, which calls for "an all-of-society approach" to meeting our GHG Reduction goals.

This bill would modify the exemption on manufacturing and is based on a recommendation made by the Maryland Commission on Climate Change that was approved by a vote of 18 to 1. It's also one of six legislative actions proposed in the *Maryland Climate Pollution Reduction Plan* released by MDE in December 2023. This bill would do a few things:

- 1. It enables MDE to consider emissions reductions from manufacturers that come to Maryland after 2023.
- 2. It removes the exemption for existing cement manufacturers because of their large contribution to the state's GHG emissions.
- 3. The bill allows MDE to regulate emissions from existing manufacturers provided the regulations do not require a manufacturer to reduce emissions below its 2023 level or increase its costs beyond 2023 costs.

Cement manufacturers are brought under MDE regulation because the two highestemitting manufacturing facilities in Maryland are cement production plants. Fortunately, the cement industry has committed to net-zero emissions by 2050, and one of these plants has already reduced emissions through fuel switching, so any MDE regulation should reflect these actions.

MDE has said that it would discuss with the cement industry any future regulations that would impact them. Discussions would start early and not just occur during the comment period on a proposed regulation.

The Maryland General Assembly has passed the most aggressive GHG reduction goals in the country, and this committee has considered legislation that would reduce GHG emissions from the transportation sector, the building industry, and even homeowners. It only makes sense that we also consider reducing emissions from the manufacturing sector.